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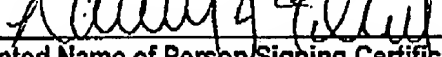
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MESSAGE In re Application Of: Rau et. al. Examiner: A.J. Fischer
Application No.: 09/630,595 Art Unit: 3627
Filed: August 1, 2000 Docket No.: 47004.000049
Title: System and Method for Transponder-Enabled Account Transactions

In accordance with 37 CFR 1.8, I hereby certify that the attached correspondence entitled:

1. Second Amended Appeal Brief

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number : 09/630,595 Confirmation No.: 5920
Applicant : Scott W. Rau et. al.
Filed : August 1, 2000
Title : System and Method for Transponder-Enabled Account Transactions
TC/Art Unit : 3627
Examiner: : Andrew J. Fischer

Docket No. : 47004.000049
Customer No. : 21967

MAIL STOP APPEAL BRIEF - PATENTS

Commissioner for Patents

P.O. Box 1450

Alexandria, Virginia 22313-1450

SECOND AMENDED APPEAL BRIEF

In accordance with 37 C.F.R. § 41.37(c) and in response to the Notification of Non-Compliant Appeal Brief dated January 25, 2007, Appellants hereby file this Second Amended Appeal Brief in relation to the above-referenced patent application ("Application"). This second amended brief has been filed within one month of the mailing date of the Notification of Non-Compliant Appeal Brief mailed on May 4, 2007. It is believed that no fees are due. If any fees are determined to be due, the Commissioner is authorized to charge such fees to the undersigned's Deposit Account No. 50-0206.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number : 09/630,595 Confirmation No.: 5920
Applicant : Scott W. Rau et. al.
Filed : August 1, 2000
Title : System and Method for Transponder-Enabled Account Transactions
TC/Art Unit : 3627
Examiner: : Andrew J. Fischer

Docket No. : 47004.000049
Customer No. : 21967

SECOND AMENDED APPEAL BRIEF

In response to the Office Action dated October 26, 2005, finally rejecting pending claims 26, 28-33 and 35-40 (the "Fourth Final Rejection")¹ and the Notification of Non-Compliant Appeal Brief dated May 4, 2007, Appellants respectfully request that the Board of Patent Appeals and Interferences reconsider and withdraw the rejections of record, and allow all pending claims, which are attached hereto as Exhibit A.

¹ Appellants are not certain why the Examiner has designated the Office Action of October 26, 2005 – the Final Rejection from which this Appeal is taken – the "Forth" [sic] Final Rejection. Appellants submit that this is the Third Final Rejection, but has referenced this as the "Fourth Final Rejection" for sake of clarity and consistency.

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I. REAL PARTY IN INTEREST.

The assignee is First USA Bank, N.A. which is a predecessor entity to real-party-in-interest Chase Bank USA, N.A. Chase Bank USA, N.A. is an affiliate of JPMorgan Chase Bank, N.A.

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**RECEIVED
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There are no known interferences. Appellants filed a Notice of Appeal on March 10, 2004 in related patent application serial no. 10/143,581, and filed an Appeal Brief on May 6, 2004. Application serial no. 10/143,581 is a divisional of the Application involved in this appeal.

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III. STATUS OF CLAIMS.

Claims 26, 28-33 and 35-40 are pending and have been rejected in this application. Claims 1-25, 27 and 34 have been canceled. The rejection of claims 26, 28-33 and 35-40 is appealed.

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IV. STATUS OF AMENDMENTS.

No Amendment after Final Rejection was filed following the Fourth Final Rejection.

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V. SUMMARY OF CLAIMED SUBJECT MATTER.

Appellants present a brief discussion of the technology, followed by a summary of the claimed subject matter defined in independent claim 26 (the only independent claim on appeal).

A. The Technology.

The use of electromagnetically-coupled transducers for commercial transaction processing has become increasingly popular in recent times. The advent of compact, inexpensive electronics, transponder-equipped point of sale equipment, and attendant information processing assets have enabled a variety of vendors to offer account-linked transaction systems. Those systems include, for example, subway or other transportation devices, telephone calling devices, and others such as the SpeedPass™ offered by Mobil Corp. for gasoline point of sale transactions. In that and other systems, a receiver emits electromagnetic signals to a device in proximity to a gasoline pump over radio frequencies (RF), activating an embedded transponder within the transaction device. The transaction device is identified by some sort of identification information, which information is then relayed from the point of sale to an offsite information processing facility. Current systems involve further processing of the transponder identification information and purchase information to complete a sale using the transponder.

B. The Subject Matter of Independent Claim 26 On Appeal.

The subject matter of independent claim 26 on appeal involves a method for authorizing transponder-enabled transactions. The limitations of claim 26 can be found in the Specification as follows.

- receiving by a transponder server of an issuing bank, a financial institution or a credit network at least some RFID transponder identification information emitted from an RFID transponder substantially upon presentation of both the RFID transponder and a transaction for payment at a point of sale device, the payment comprising a payment amount (*see* Specification at p. 2, lines 14-21; p. 4, lines 10-12; p. 4, line 21 to p. 5, line 5; p. 5, lines 12-15; p. 5, line 21 to p. 6, line 6; p. 9, lines 12-22; p. 10, lines 3-10; Fig. 2);
- retrieving from an account table at least some financial account information linked to the RFID transponder identification information, the financial account information comprising at least one of account number information, account type

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information, account balance information, and account limit information (*see* Specification at p. 5, lines 7-11);

- determining by an authorization unit authorization for charging at least some of the payment amount to a financial account represented by the financial account information based on the payment amount and at least some of the financial account information (*see* Specification at p. 9, lines 19-22; p. 10, lines 5-10); and
- communicating authorization to the point of sale device (*see* Specification at p. 9, lines 19-22; p. 10, lines 5-10),
- wherein the RFID transponder identification information does not comprise account number information (*see* Specification at p. 5, lines 2-7; p. 8, line 15 to p. 9, line 6; p. 10, lines 5-10).

The method of claim 26 generally relates to the presentation and sensing of an electromagnetically coupled transponder to an RF-enabled point of sale system. *See* Specification at p. 2, lines 14-21. In the practice of the invention claimed in claim 26, the transponder is encoded with identifying or serializing information ("transponder identification information") which is emitted upon presentation of the transponder and a transaction for payment at a point of sale device. *See* Specification at p. 2, lines 17-18; p. 5, lines 8-12 and p. 5, line 21 to p. 6, line 2. The transponder identification information and payment amount of the purchase are received by a transaction server that is located at an issuing bank, a financial institution or a credit network. *See* Specification at pp. 9-10, lines 15-22; Fig. 2. The transponder identification information is used at the transaction server to retrieve some of the user's financial account information. *See* Specification at p. 6, lines 3-6 and p. 10, lines 6-10; Abstract; Fig. 2. An authorization unit determines whether any or all of the payment amount can be applied to the financial account using the retrieved financial account information and the payment amount, which authorization is then communicated back to the point of sale device to complete the transaction. *See* Specification at p. 10, lines 6-10; Fig. 2.

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VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL.

The grounds of rejection to be reviewed on appeal are as follows:

A) Whether the rejection of claims 30 and 31-33 under 35 U.S.C. § 112, second paragraph as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which Appellants regard as their invention is proper.

B) Whether the rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) based on U.S. Patent No. 5,528,222 to Moskowitz ("Moskowitz") is proper.

C) Whether the rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) based on U.S. Patent No. 5,484,997 to Haynes ("Haynes") is proper.

D) Whether the rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) over Moskowitz in view of The Bank Credit Card Business by the American Bankers Association ("ABA reference") is proper.

E) Whether the rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) over Haynes in view of the ABA reference is proper.

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VII. ARGUMENT.

The rejections of all pending claims in the Fourth Final Rejection suffer from a variety of insufficiencies: they fail to present a *prima facie* case of anticipation and/or obviousness; they present broad constructions that are unreasonable and inconsistent with the specification and the claims; and they are based on incorrect legal standards. Further, the Examiner has now raised rejections only in the Fourth Final Rejection on grounds that apparently have been present for more than three years and that could have been raised earlier, but were not. These late raised rejections have denied Appellants a fair opportunity to present arguments in response.

- A. The rejection of claims 30, 31, 32 and 33 under 35 U.S.C. § 112, second paragraph as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which Appellants regard as their invention is improper and should be overturned.**

Claims 30, 31, 32 and 33 were rejected under 35 U.S.C. § 112, second paragraph as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which Appellants regard as their invention. See Fourth Final Rejection at ¶ 6. The Examiner asserts as the basis of this rejection for the following:

- a. "In claim 30, it is unclear who is the 'holder' of the financial account."
- b. "In claim 31, it is unclear if 'RFID transponder identification information' is the same or different from 'at least some RFID transponder identification information' as recited in claim 26."
- c. "In claim 32, it is unclear if 'RFID transponder identification information' is the same or different from 'at least some RFID transponder identification information' as recited in claim 26."
- d. "In claim 36 [sic], it is unclear if 'at least some RFID transponder identification information' is inclusive or exclusive of 'at least some RFID transponder identification information' as recited in claim 26."

These rejections are improper and should be overturned because claims 30, 31, 32 and 33, when considered as a whole, "provid[e] clear warning to others as to what constitutes infringement." See MPEP § 2173.02, citing *Solomon v. Kimberly-Clark Corp.*, 216 F.3d 1372, 1379, 55 USPQ2d 1279, 1283 (Fed. Cir. 2000).

1. The "holder" of the account in claim 30 is definite.

The Examiner has rejected claim 30 on the grounds that the "holder" of the account of

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claim 30 is allegedly indefinite under 35 U.S.C. § 112, second paragraph. *See* Fourth Final Rejection at ¶ 6. Appellants submit that this rejection is improper and should be overturned because (1) the “metes and bounds” of the claim is “discernible” to one of ordinary skill in the art and (2) this limitation has been in claim 30 in a similar or exact form *since November 30, 2002*, yet only now has this limitation been rejected as allegedly “indefinite.” *See* Amendment and Response, November 30, 2002 (new claim 30 added including limitation “to the financial account holder”).

The Examiner has not provided grounds for why claim 30 is indefinite except to state that it is “unclear” who is the holder of the financial account. *See* Fourth Final Rejection at ¶ 6(a). “A claim is indefinite when it contains words or phrases whose meaning is unclear . . . however, the failure to provide explicit antecedent basis for terms does not always render a claim indefinite.” *See* MPEP § 2173.05(e). The MPEP states that a claim is *not* indefinite if “the scope of a claim would be reasonably ascertainable by those skilled in the art.” *Id.*, citing *Ex parte Porter*, 25 USPQ2d 1144, 1145 (Bd. Pat. App. & Inter. 1992). Further, “[i]nherent components of elements recited have antecedent basis in the recitation of the components themselves . . . [f]or example, the limitation ‘the outer surface of said sphere’ would not require an antecedent recitation that the sphere has an outer surface.” *Id.*, citing *Bose Corp. v. JBL, Inc.*, 274 F.3d 1354, 1359, 61 USPQ2d 1216, 1218-19 (Fed. Cir. 2001). Finally, the MPEP states that “[t]he examiner’s task of making sure the claim language complies with the requirements of the statute should be carried out in a positive and constructive way, so that minor problems can be identified and easily corrected, and so that major effort is expended on more substantive issues.” *Id.*

Here, claim 30 was added on *November 30, 2002* including the limitation “the financial account holder,” and then amended on June 4, 2003 to read “the holder of the financial account.” *See* Amendment and Response, November 30, 2002 (new claim 30 added); Amendment and Response, June 4, 2003 (amendment of claim 30).² Yet, more than three years later, and with no

² Since June 4, 2003, the Examiner issued a Final Rejection on January 21, 2004; an Advisory Action on April 15, 2004; a second Final Rejection dated September 13, 2004 that reopened prosecution after filing of Appellants’ Appeal Brief on June 17, 2004; an Advisory Action dated November 29, 2004; an Office Action dated April 20, 2005; and the current Fourth Final Rejection dated October 26, 2005. Yet, not until the October 26, 2005 Fourth Final Rejection did the Examiner raise this ground for rejection of claim 30 under 35 U.S.C. § 112,

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prior rejections on indefiniteness grounds, this claim has only now been rejected as "indefinite" and the Examiner has made no proposal of acceptable language. Further, the Examiner has not stated any reasons why a person of ordinary skill in the art would not be able to ascertain the scope of these claims. This is yet another example of the "moving target" that Appellants have faced during prosecution of this application.³

Regardless, Appellants submit that a person of ordinary skill in the art would be able to ascertain who is the "holder" of a financial account. This is a common term in the financial arts and is inherent in the recitation of "financial account." The term "holder" has a common meaning of "one who is in possession of something," as seen in Exhibit B. In fact, the Examiner's own cited ABA reference describes "cardholders" and a "cardholder account number." *See* ABA reference at pp. 6, 66. Appellants respectfully submit that one of ordinary skill in the art could ascertain that this limitation references the person or entity who is in possession of the financial account recited in claim 30. Accordingly, Appellants submit that this rejection is improper and should be overturned.

2. Claims 31, 32 and 33 are definite.

The Examiner has rejected claims 31 and 32 under 35 U.S.C. § 112, second paragraph on the grounds that it is unclear if "RFID transponder identification information" is the same or different from "at least some RFID transponder identification information" as recited in claim 26. *See* Fourth Final Rejection at ¶ 6(b), (c). Claim 33 was rejected on the grounds that it is unclear if "at least some RFID transponder identification information" is the same or different from "at least some RFID transponder identification information" as recited in claim 26. *See*

second paragraph. Appellants have previously objected to the piecemeal prosecution that has occurred in this and related file, Appln. Serial No. 10/143,581. *See* First Appeal Brief dated June 17, 2004, Sec. VIII. Appellants respectfully submit that the Examiner has failed to "clearly articulate any rejection early in the prosecution process so that the applicant has the opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity," as set forth in the MPEP § 706. Rather, this application has been pending since August 1, 2000 - over *five (5) years* - and yet Appellants continue to receive new grounds of rejections several years after claim limitations have been initially presented. Appellants respectfully submit that the excessive length of prosecution of this application could be reduced if rejections are presented early in the prosecution process so Appellants have the opportunity to provide evidence of patentability and otherwise reply completely to these grounds of rejection.

³ *See* First Appeal Brief, June 17, 2004, at p. 5.

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Fourth Final Rejection at ¶ 6(d). Appellants submit that these rejections are improper and should be overturned because (1) the “metes and bounds” of the claims are “discernible” to one of ordinary skill in the art and (2) these limitations have been in claims 31 and 32 in a similar or exact form *since November 30, 2002*, yet only now have these limitations been rejected as allegedly “indefinite.” *See* Amendment and Response, November 30, 2002 (new claims 31 and 32 added including limitation “transponder identification information”). Claim 33 was amended on June 4, 2003 to include a similar limitation to the limitation that is currently rejected. *See* Amendment and Response, June 4, 2003 (amendment of claim 33).⁴ The only amendment to these limitations was to further limit them to “RFID transponder identification information” in an Amendment and Response filed on July 18, 2005.

Again, as for claim 30, Appellants submit that the Examiner has improperly withheld this rejection for *years* and has made no proposal of acceptable language. Further, the Examiner has not stated any reasons why a person of ordinary skill in the art would not be able to ascertain the scope of these claims. Appellants submit that the claim language is definite in that the limitation “RFID transponder identification information” has proper antecedent basis and therefore complies with 35 U.S.C. § 112, second paragraph. Appellants therefore submit that these rejections are improper and should be overturned.

⁴ Since June 4, 2003, the Examiner issued a Final Rejection on January 21, 2004; an Advisory Action on April 15, 2004; a second Final Rejection dated September 13, 2004 that reopened prosecution after filing of Appellants’ Appeal Brief on June 17, 2004; an Advisory Action dated November 29, 2004; an Office Action dated April 20, 2005; and the current Fourth Final Rejection dated October 26, 2005. Yet, not until the October 26, 2005 Fourth Final Rejection did the Examiner raise this ground for rejection of claims 31, 32 and 33 under 35 U.S.C. § 112, second paragraph. Appellants have previously objected to the piecemeal prosecution that has occurred in this and related file, Appln. Serial No. 10/143,581. *See* Appeal Brief dated June 17, 2004, Sec. VIII. Appellants respectfully submit that the Examiner has failed to “clearly articulate any rejection early in the prosecution process so that the applicant has the opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity,” as set forth in the MPEP § 706. Rather, this application has been pending since August 1, 2000 - over *five (5) years*- and yet Appellants continue to receive new grounds of rejections several years after claim limitations have been initially presented. Appellants respectfully submit that the excessive length of prosecution of this application could be reduced if rejections are presented early in the prosecution process so Appellants have the opportunity to provide evidence of patentability and otherwise reply completely to these grounds of rejection.

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B. The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) based on Moskowitz is improper and should be overturned.

The Examiner rejected claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) based on Moskowitz. *See* Fourth Final Rejection at ¶ 12. The Examiner states that “Moskowitz discloses the claimed invention including: an RFID credit card (Figure 12). In this particular rejection, ‘at least some credit card information’ is the credit card owner’s name, or alternatively, the expiration date of the credit card. All other functions, steps and structure is inherent in an ordinary credit card transaction. For example, receiving by a transponder server of an issuing bank the at least some credit card information is old and well known in the art and therefore inherent in a credit card transaction. Alternatively, receiving by a transponder server of a credit network the at least some credit card information is also old and well known in the art and therefore inherent in the ordinary credit card transaction . . . Finally, with respect to claim 31, the Examiner interprets ‘RFID transponder identification information’ as the account number.” *Id.*⁵

Appellants submit that this rejection is improper and should be withdrawn because Moskowitz does not disclose each and every limitation of claim 26, from which claims 28-33 and 35-40 depend. Claim 26 expressly states that the limitation “RFID transponder identification information” *does not comprise* “account number information.” *See* claim 26, as amended on July 18, 2005. Yet, claim 31, which is dependent from claim 26 and which includes the exact same limitation “RFID transponder identification information,” has been construed to mean that “RFID transponder identification information” *is* the account number. Fourth Final Rejection at ¶ 12. Under the principles of claim construction, the same claim term “RFID transponder identification information” should be given the same construction in claims 26 and 31, and therefore the limitation in claim 31 of “RFID transponder identification information” *does not* comprise “account number information.” *See, e.g.*, 35 U.S.C. § 112, fourth paragraph (“A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.”). This reason alone mandates that this rejection be overturned.

Additionally, the Examiner asserted that the invention of claim 26 is disclosed by Moskowitz because this reference discloses “an ordinary credit card transaction.” *See id.*

⁵ The Examiner makes this assertion only with respect to claim 31. Appellants note that the claim term “RFID transponder identification information” has antecedent basis in claim 26 and are unclear why the Examiner’s interpretation of this claim term is referenced only to claim 31, and not also to claim 26. *See* MPEP § 2173.05(e).

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However, in an ordinary credit card transaction, as described in Moskowitz, those of ordinary skill in the art understand, and the prior art discloses, that *account number information* is received by a transponder server of an issuing bank. See Smith, Catherine P., Retail Banking Technology, Int'l Business Communications, Ltd., 1987 at pp. 158-59 (cited by the Examiner as in the April 20, 2005 Office Action).⁶ In contrast, in claim 26, the RFID transponder identification information that is received by the transponder server of the issuing bank and linked to financial account information expressly *does not comprise account number information*. Therefore, a disclosure of "an ordinary credit card transaction" *does not* disclose receiving by a transponder server of an issuing bank "at least some RFID transponder information," which *does not* comprise account number information, and retrieving financial account information linked to the RFID transponder identification information from an account table. Moskowitz therefore does not disclose each and every limitation of claim 26, or claims 28-33 and 35-40 that depend from claim 26.

The limitations of claim 26 of RFID transponder identification information received by the transponder server of the issuing bank and linked to retrieved financial account information, where the RFID transponder identification information expressly *does not comprise account number information*, are not inherent in Moskowitz, either. The Examiner states that "the claimed features are present in the prior art," based on "inherency." See Fourth Final Rejection at ¶ 16. However, this ground for rejection should be overturned because (1) Moskowitz does not "make clear that the missing descriptive matter is necessarily present in the thing described in the reference . . ." and (2) the Examiner did not meet his burden of proof of providing rationale or evidence tending to show inherency. See MPEP § 2112. First, the Examiner states only that Moskowitz discloses an ordinary credit card transaction, and that "receiving by a transponder server of an issuing bank the at least some credit card information is old and well known in the art and therefore inherent in a credit card transaction . . . [a]lternatively, receiving by a transponder server of a credit network the at least some credit card information is also old

⁶ See also Fourth Final Rejection at ¶ 38 (In response to Appellants' inquiry on pertinence of cited references not specifically cited in a rejection, the Examiner responded that the "pertinence of references is self evidence [sic] from the content of the reference"). Accordingly, Appellants submit that the Examiner cited this reference titled "Retail Banking Technology" as evidence of retail banking technology, as is self evident from the content of that reference.

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and well known in the art and therefore inherent in the ordinary credit card transaction.” See Fourth Final Rejection at ¶ 12. However, the Examiner makes *no* argument that the “at least some credit card information” that is received by a transponder server of an issuing bank or a credit network and then linked to retrieved financial account information that is then used to authorize a transaction does *not* comprise account information, as claimed in claim 26. Rather, the Examiner’s own cited references during prosecution of this application confirm that the prior art discloses only that account number information is received by an issuing bank or a credit network. See Smith, Catherine P., Retail Banking Technology, Int’l Business Communications, Ltd., 1987 at pp. 158-59 (included as cited reference in Office Action, April 20, 2005).⁷ There is no disclosure in Moskowitz of a transponder server retrieving financial account information from an account table that is linked to received RFID transponder identification information, where the received RFID transponder identification information does *not* comprise account number information.

Next, the Examiner makes only conclusory statements that Moskowitz describes the claimed features of the rejected claims. There is no “basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.” *Id.*, citing *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original). In fact, the Examiner does not assert *which* characteristic is allegedly inherent in Moskowitz that is claimed in the rejected claims.

Accordingly, the Examiner has not shown that Moskowitz anticipates these claims. See MPEP § 2131 (“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference,” citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987)). Appellants therefore submit that this rejection is improper and should be overturned.

⁷ See Fourth Final Rejection at ¶ 38 (In response to Appellants’ inquiry on pertinence of cited references not specifically cited in a rejection, the Examiner responded that the “pertinence of references is self evidence [sic] from the content of the reference”). Accordingly, Appellants submit that the Examiner cited this reference titled “Retail Banking Technology” as evidence of retail banking technology, as is self evidence from the content of that reference.

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C. The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) based on Haynes is improper and should be overturned.

Claims 26, 28-30, 33 and 35-40 were rejected as allegedly unpatentable under 35 U.S.C. § 102(e) based on Haynes. *See* Fourth Final Rejection at ¶ 13. The Examiner states that “Haynes discloses the claimed invention including: an RFID credit card (Figure 1 & 2). In this particular rejection, ‘at least some credit card information’ is the credit card owner’s name, or alternatively, the expiration date of the credit card. All other functions, steps and structure is inherent in an ordinary credit card transaction. For example, receiving by a transponder server of an issuing bank the at least some credit card information is old and well known in the art and therefore inherent in a credit card transaction. Alternatively, receiving by a transponder server of a credit network the at least some credit card information is also old and well known in the art and therefore inherent in the ordinary credit card transaction . . . Finally, with respect to claim 31, the Examiner again interprets ‘RFID transponder identification information’ as the account number.” *Id.* This rejection is improper and should be overturned because Haynes does not disclose each and every limitation of claim 26, from which claims 28-33 and 35-40 depend.

Appellants submit that this rejection is improper and should be withdrawn because Haynes does not disclose each and every limitation of claim 26, from which claims 28-33 and 35-40 depend. Claim 26 expressly states that the limitation “RFID transponder identification information” *does not comprise* “account number information.” *See* claim 26, as amended on July 18, 2005. Yet, claim 31, which is dependent from claim 26 and which includes the exact same limitation “RFID transponder identification information,” has been construed to mean that “RFID transponder identification information” *is* the account number. Fourth Final Rejection at ¶ 13. Under the principles of claim construction, the same claim term “RFID transponder identification information” should be given the same construction in claims 26 and 31, and therefore the limitation in claim 31 of “RFID transponder identification information” *does not* comprise “account number information.” *See, e.g.,* 35 U.S.C. § 112, fourth paragraph (“A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.”). This reason alone mandates that this rejection be overturned.

Additionally, the Examiner asserted that the invention of claim 26 is disclosed by Haynes because this reference discloses “an ordinary credit card transaction.” *See id.* However, in an ordinary credit card transaction, as described in Haynes, those of ordinary skill in the art

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understand, and the prior art discloses, that *account number information* is received by a transponder server of an issuing bank. *See* Smith, Catherine P., Retail Banking Technology, Int'l Business Communications, Ltd., 1987 at pp. 158-59 (cited by the Examiner as in the April 20, 2005 Office Action).⁸ In contrast, in claim 26, the RFID transponder identification information that is received by the transponder server of the issuing bank and linked to financial account information expressly *does not comprise account number information*. Therefore, a disclosure of "an ordinary credit card transaction" *does not* disclose receiving by a transponder server of an issuing bank "at least some RFID transponder information," which *does not* comprise account number information, and retrieving financial account information linked to the RFID transponder identification information from an account table. Haynes therefore does not disclose each and every limitation of claim 26, or claims 28-33 and 35-40 that depend from claim 26.

The limitations of claim 26 of RFID transponder identification information received by the transponder server of the issuing bank and linked to retrieved financial account information, where the RFID transponder identification information expressly *does not comprise account number information*, are not inherent in Haynes, either. The Examiner states that "the claimed features are present in the prior art," based on "inherency." *See* Fourth Final Rejection at ¶ 16. However, this ground for rejection should be overturned because (1) Haynes does not "make clear that the missing descriptive matter is necessarily present in the thing described in the reference . . ." and (2) the Examiner did not meet his burden of proof of providing rationale or evidence tending to show inherency. *See* MPEP § 2112. First, the Examiner states only that Haynes discloses an ordinary credit card transaction, and that "receiving by a transponder server of an issuing bank the at least some credit card information is old and well known in the art and therefore inherent in a credit card transaction . . . [a]lternatively, receiving by a transponder server of a credit network the at least some credit card information is also old and well known in the art and therefore inherent in the ordinary credit card transaction." *See* Fourth Final Rejection at ¶ 13. However, the Examiner makes *no* argument that the "at least some credit card

⁸ *See also* Fourth Final Rejection at ¶ 38 (In response to Appellants' inquiry on pertinence of cited references not specifically cited in a rejection, the Examiner responded that the "pertinence of references is self evidence [sic] from the content of the reference"). Accordingly, Appellants submit that the Examiner cited this reference titled "Retail Banking Technology" as evidence of retail banking technology, as is self evident from the content of that reference.

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information” that is received by a transponder server of an issuing bank or a credit network and then linked to retrieved financial account information that is then used to authorize a transaction does *not* comprise account information, as claimed in claim 26. Rather, the Examiner’s own cited references during prosecution of this application confirm that the prior art discloses only that account number information is received by an issuing bank or a credit network. See Smith, Catherine P., Retail Banking Technology, Int’l Business Communications, Ltd., 1987 at pp. 158-59 (included as cited reference in Office Action, April 20, 2005).⁹ There is no disclosure in Haynes of a transponder server retrieving financial account information from an account table that is linked to received RFID transponder identification information, where the received RFID transponder identification information does *not* comprise account number information.

Next, the Examiner makes only conclusory statements that Haynes describes the claimed features of the rejected claims. There is no “basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.” *Id.*, citing *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original). In fact, the Examiner does not assert *which* characteristic is allegedly inherent in Haynes that is claimed in the rejected claims.

Accordingly, the Examiner has not shown that Haynes anticipates these claims. See MPEP § 2131 (“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference,” citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987)). Appellants therefore submit that this rejection is improper and should be overturned.

D. The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) over Moskowitz in view of the ABA is improper and should be overturned.

The Examiner has rejected 26, 28-30, 33 and 35-40 as allegedly under 35 U.S.C. § 103 over Moskowitz in view of the ABA reference. See Fourth Final Rejection at ¶ 18. The rejections under 35 U.S.C. § 103 over Moskowitz in view of the ABA reference is not sustainable because the ABA reference discloses only a standard credit card transaction, as

⁹ See Fourth Final Rejection at ¶ 38 (In response to Appellants’ inquiry on pertinence of cited references not specifically cited in a rejection, the Examiner responded that the “pertinence of references is self evidence [sic] from the content of the reference”). Accordingly, Appellants submit that the Examiner cited this reference titled “Retail Banking Technology” as evidence of retail banking technology, as is self evidence from the content of that reference.

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asserted by the Examiner. *See id.* No *prima facie* case of obviousness is supported by these references since each and every limitation of claim 26, and specifically the limitation of “receiving by a transponder server of an issuing bank, a financial institution or a credit network at least some RFID transponder identification information emitted from an RFID transponder substantially upon presentation of both the RFID transponder and a transaction for payment at a point of sale device . . .”, where the RFID transponder identification information *does not* comprise financial account number information, is not disclosed in either Moskowitz or the ABA reference. No *prima facie* case of obviousness is supported by the combination of these references. *See* MPEP § 2142.

Accordingly, for the same reasons stated in Sec. VII(B) *supra* regarding the rejection under 35 U.S.C. § 102(e) over Moskowitz, Appellants submit that this rejection is improper and should be withdrawn.

E. The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) over Haynes in view of the ABA is improper and should be overturned.

The Examiner has rejected 26, 28-30, 33 and 35-40 as allegedly under 35 U.S.C. § 103 over Haynes in view of the ABA reference. *See* Fourth Final Rejection at ¶ 19. The rejections under 35 U.S.C. § 103 over Haynes in view of the ABA reference is not sustainable because the ABA reference discloses only a standard credit card transaction, as asserted by the Examiner. *See id.* No *prima facie* case of obviousness is supported by these references since each and every limitation of claim 26, and specifically the limitation of “receiving by a transponder server of an issuing bank, a financial institution or a credit network at least some RFID transponder identification information emitted from an RFID transponder substantially upon presentation of both the RFID transponder and a transaction for payment at a point of sale device . . .”, where the RFID transponder identification information *does not* comprise financial account number information, is not disclosed in either Haynes or the ABA reference. No *prima facie* case of obviousness is supported by the combination of these references. *See* MPEP § 2142.

Accordingly, for the same reasons stated in Sec. VII(C) *supra* regarding the rejection under 35 U.S.C. § 102(e) over Haynes, Appellants submit that this rejection is improper and should be withdrawn.

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F. Functional Recitations.

Appellants disagree with the Examiner that functional recitations are to be given less patentable weight because they “fail to add any steps and are thereby regarded as intended use language” and in particular disagree that the cited authority, *Bristol-Myers Squibb Co. v. Ben Venue Laboratories, Inc.*, 246 F.3d 1368, 1375-76, 58 USPQ2d 1508, 1513 (Fed. Cir. 2001), supports this proposition. See Fourth Final Rejection at ¶¶ 34-35. In the March 4, 2003 Office Action, the Examiner asserted the following:

Functional recitations using the word “for” . . . have been given less patentable weight because they fail to add any steps and are thereby regarded as intended use language. A recitation of the intended use of the claimed invention must result in additional steps. See *Bristol-Myers Squibb Co. v. Ben Venue Laboratories, Inc.*, 246 F.3d 1368, 1375-76, 58 USPQ2d 1508, 1513 (Fed. Cir. 2001) (Where the language in a method claim states only a purpose and intended result, the expression does not result in a manipulative difference in the steps of the claim.)

Appellants respectfully submit that the issue in the cited portion of *Bristol-Myers Squibb* is whether preamble language that states intended use and purpose of an invention limits the scope of the claim. See *Bristol-Myers Squibb* at 1372. Bristol-Myers Squibb, the patent holder, sued Ben Venue based on Ben Venue’s ANDAs seeking approval to market paclitaxel prior to expiration of Bristol-Myers Squibb’s patents USPN 5,641,803 and 5,670,537 directed to methods of administration of taxol (Taxol® is the registered trademark name for its anticancer drug that comprises paclitaxel as the active ingredient). See *id.* at 1371; n. 1. Ben Venue alleged that the patents were invalid over *inter alia* an article by Kris in which “Kris treated patients with three-hour infusions of paclitaxel within the claimed dosage ranges but observed no antitumor response.” *Id.* at 1372. Ben Venue moved for summary judgment. *Id.* The district court construed the claims and determined that the preamble of claim 5¹⁰ of the ‘537 patent “[a]

¹⁰ Claim 1 of the ‘537 patent reads as follows: “A method for treating a cancer patient suffering from a taxol-sensitive tumor comprising: (i) premedicating said patient with a medicament that reduces or eliminates hypersensitivity reactions; and (ii) parenterally administering to said patient about 135-175 mg/m² taxol over about 3 hours.” Claim 5 of the ‘537 patent reads as follows: “A method for treating a cancer patient to effect regression of a taxol-sensitive tumor, said method being associated with reduced hematologic toxicity, said method comprising: (i) premedicating said patient with a medicament that reduces or eliminates hypersensitivity reactions; and (ii) parenterally administering to said patient about 135-175

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method for treating a cancer patient to effect regression of a taxol-sensitive tumor, said method being associated with reduced hematologic toxicity' merely stated the intended use or purpose of the invention and did not limit the scope of the claim." *Id.* The district court also held that "the expression in the '803 claims,¹¹ 'an antineoplastically effective amount,' was inseparable from the specific concentrations described in the claims and only stated the purpose of the invention comprising the stated method steps." *Id.* at 1372-73. The district court also held that the expression "reducing hematologic toxicity" meant "a reduction in toxicity relative to that normally experienced in a twenty-four hour paclitaxel infusion." *Id.* at 1373. The district court then held on summary judgment that most of the claims in both patents were invalid as anticipated by the Kris article. *See id.* at 1373.

On appeal, Bristol-Myers Squibb argued that the district court erred by "not giving effect to the preamble 'for reducing hematologic toxicity'" and also the expression "an antineoplastically effective amount" in the '803 patent claims. *Id.* at 1374. Bristol-Myers Squibb argued that the limitation "an antineoplastically effective amount" distinguished the claims over Kris because Kris did not observe antitumor efficacy. *Id.* Bristol-Myers Squibb also argued that the preamble of claim 5 of the '537 patent must given effect under the doctrine of claim differentiation since that is the only difference between claims 1 and 5 of that patent. *See id.*

The Federal Circuit affirmed the district court in part and held that the preamble language of the claims of the '803 patent was non-limiting because "[t]he steps of the three-hour infusion method are performed in the same way regarding whether or not the patient experiences a reduction in hematologic toxicity, and the language of the claim itself strongly suggests the independence of the preamble from the body of the claim." *Id.* at 1375. The Federal Circuit similarly held that the expression "an antineoplastically effective amount" in the '803 claims is

mg/m² taxol over about 3 hours." The only difference between claim 1 and claim 5 is the preamble.

¹¹ Claim 1 of the '803 patent reads as follows: "A method for reducing hematologic toxicity in a cancer patient undergoing [t]axol treatment comprising parenterally administering to said patient an antineoplastically effective amount of about 135-175 mg/m² taxol over a period of about three hours." The limitation "an antineoplastically effect amount" was voluntarily added to the claims after the claims had been found allowable and was not required by the examiner. *See id.* at 1374.

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an expression of intended results that “essentially duplicates the dosage amounts recited in the claims that are also described in the specification as ‘antineoplastically effective.’” *Id.* Next, the Federal Circuit held that the preamble expression of claim 5 of the ‘537 patent, “[a] method for treating a cancer patient to effect regression of a taxol-sensitive tumor, said method being associated with reduced hematologic toxicity” is only a statement of purpose and intended result because “[t]he expression does not result in a manipulative difference in the steps of the claims.” *Id.* at 1375-76.

The Federal Circuit held that language which does not result in a manipulative difference in the steps of a method claim are only statements of purpose and intended result, and does not limit the scope of the claims. There is no holding in this case, or the MPEP, that “[f]unctional recitations using the word “for” . . . [should be] given less patentable weight because they fail to add any steps and are thereby regarded as intended use language,” as stated in para. 34 of the Fourth Final Rejection. In fact, the MPEP states that “[a] functional limitation *must be evaluated and considered, just like any other limitation of the claim*, for what it fairly conveys to a person of ordinary skill in the pertinent art in the context in which it is used” and that “[a] functional limitation is often used in association with an element, ingredient, or step of a process to define a particular capability or purpose that is served by the recited element, ingredient, or step.” See MPEP § 2173.05(g).

Appellants therefore respectfully disagree with the Examiner’s conclusion that functional recitations using the word “for” are to be given less patentable weight. Rather, Appellants submit that functional limitations must be evaluated and considered, just like any other limitation of the claim, for what they convey to a person of ordinary skill in the art in the context in which they are used.

G. Definition of Transponder.

The Examiner has maintained the position that he is free to use any reasonable definition of transponder and is not bound by Appellants’ definition, and that the definition of a transponder as a device that responds to a physical stimulus and emits an electrical signal in response to the stimulus is adopted. See Fourth Final Rejection at ¶ 36; see also Office Action of April 20, 2005 at ¶¶ 27-29. Appellants again respond that the standard for claim term interpretation during prosecution is that claim terms are to be given their broadest reasonable interpretation consistent with the specification. See MPEP § 2111; *In re Hyatt*, 211 F.3d 1367,

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1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000). Appellants again submit that the definition asserted by the Examiner is not consistent with the specification. *See* Amendment after Final Rejection dated November 12, 2004 at Sec. III(D). Appellants expressly describe in the specification a transponder as an “electromagnetically-coupled transducer”; and an “electromagnetically coupled device[], generally activated by proximity to an RF-enabled receiving unit,” and one of ordinary skill in the art would understand this to refer to an active transponder. *See* Specification at p. 1, lines 10-11; p. 3, lines 19-22. The Examiner’s broad construction of the term “transponder” to cover ordinary magnetic stripe credit cards is inconsistent with the description of the term “transponder” in the specification.

Appellants also respectfully submit that their argument regarding passive transponders were misconstrued in the April 20, 2005 Office Action. Appellants previously argued that even if “transponder” were to be given the extremely broad interpretation given by the Examiner, a credit card still would not meet all of the limitations of the claims because credit cards do not *emit* any information. *See* Amendment after Final Rejection dated November 12, 2004 at Sec. III(A) (“Appellants submit that the definition of the term “transponder” as a credit card is incorrect because an ordinary credit card does not “emit” any information. The verb “emit” is a transitive verb which means to give off; to send out; to eject. *See* Merriam Webster’s Collegiate Dictionary (10th ed. 1993) at p. 378. However, an ordinary credit card is a passive device with embedded information in a magnetic stripe that is read by a reader, just like a cassette tape.”) Appellants respectfully submit that the Examiner previously failed to consider the requirement of claim 26 that transponder identification information is emitted by a transponder in asserting that an ordinary credit card discloses the transponder of claim 26, and failed to respond to Appellants’ argument in rebuttal. The MPEP expressly states that “[i]n order to provide a complete application file history and to enhance the clarity of the prosecution history record, an examiner must provide clear explanations if all actions taken by the examiner during prosecution of an application . . . [w]hen the applicant traverses any rejection, *the examiner should, if he or she repeats the rejection, take note of the applicant’s argument and answer the substance of it.*” *See* MPEP § 707.07(f) (emphasis added).

Regardless, and in an effort to hasten this lengthy prosecution, Appellants amended claim 26 in the Amendment and Response dated July 18, 2005 not for reasons relating to patentability to recite that the transponder is an RFID transponder.

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H. "In light of the specification."

The Examiner asserts at ¶ 37 that Appellants' previous argument that "claim terms are to be given their broadest reasonable interpretation consistent with the specification" is "not persuasive" because "Appellants . . . decided to use neither 35 U.S.C. § 112, sixth paragraph or lexicography." See Fourth Final Rejection at ¶ 37. Appellants submit that they are aware of no requirement that they confirm the manner of interpretation of claim terms or to confirm whether or not they have decided to be their own lexicographer.

I. Claims 37 and 38 are separately patentable over claims 26, 28-33, 35, 36, 39 and 40.

Appellants submit that claims 37 and 38 are separately patentable over the cited prior art references from the group of claims 26, 28-33, 35, 36, 39 and 40. None of these references disclose or suggest the recitation in dependent claim 40. There is no suggestion in the ABA reference to modify Moskowitz or Haynes to embed the transponder in a transaction card, such as a key chain, pager, watch, clothing, key or transaction card. The Examiner makes the unsupported statement that "embedding transponders in keys is old and well known in the art." See Fourth Final Rejection at ¶ 12. No reference is cited for this proposition, however. Therefore, even this combination does not support a *prima facie* case of obviousness since each and every claim limitation of claims 37 and 38 are not disclosed in a combination of these references. The rejection of claims 37 and 38 over the various grounds asserted above should be overruled and claims 37 and 38 should be identified as separately patentable from claims 26, 28-33, 35, 36, 39 and 40.

J. Claim 40 is separately patentable over claims 26, 28-33 and 35-39.

Appellants submit that claim 40 is separately patentable over the cited prior art references from the group of claims 26, 28-33 and 35-39. None of these references disclose or suggest the recitation in dependent claim 40. There is no suggestion in the ABA reference to modify Moskowitz or Haynes to register the financial account information via a network registration interface.

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CONCLUSION


Appellants request that the rejections of all pending claims be overturned.

Respectfully submitted,

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VIII. CLAIMS APPENDIX.

1-25. (CANCELED)

26. (REJECTED) A method of authorizing transponder-enabled transactions,
comprising:

receiving by a transponder server of an issuing bank, a financial institution or a credit network at least some RFID transponder identification information emitted from an RFID transponder substantially upon presentation of both the RFID transponder and a transaction for payment at a point of sale device, the payment comprising a payment amount;

retrieving from an account table at least some financial account information linked to the RFID transponder identification information, the financial account information comprising at least one of account number information, account type information, account balance information, and account limit information;

determining by an authorization unit authorization for charging at least some of the payment amount to a financial account represented by the financial account information based on the payment amount and at least some of the financial account information; and

communicating authorization to the point of sale device,

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wherein the RFID transponder identification information does not
comprise account number information.

27. (CANCELED)

28. (REJECTED) The method of claim 26, further comprising paying the authorized
payment amount to a merchant account associated with a merchant and the
issuing bank or financial institution.

29. (REJECTED) The method of claim 28, wherein the merchant account is
associated with at least one of a merchant, retailer, or grocer.

30. (REJECTED) The method of claim 26, further comprising issuing the RFID
transponder to the holder of the financial account.

31. (REJECTED) The method of claim 26, further comprising receiving RFID
transponder identification information from the RFID transponder via a wireless
interface.

32. (REJECTED) The method of claim 31, further comprising receiving RFID
transponder identification information via a RF interface or an infrared interface.

33. (REJECTED) The method of claim 26, further comprising receiving at least
some RFID transponder identification information by the RFID transponder
server from multiple point of sale devices.

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34. (CANCELED)

35. (REJECTED) The method of claim 26, wherein the financial account comprises a credit card account, a debit card account, a cash account, a telephone card account, a special premises account for use by employees of an entity, a stored value account or a rewards account.

36. (REJECTED) The method of claim 26, wherein the point of sale device comprises a cash register.

37. (REJECTED) The method of claim 26, wherein the RFID transponder is embedded in a personal article.

38. (REJECTED) The method of claim 37, wherein the personal article comprises one of a key chain, pager, watch, clothing, key or transaction card.

39. (REJECTED) The method of claim 26, wherein the point of sale device is located at one or more of a restaurant, a grocery or a retail outlet.

40. (REJECTED) The method of claim 26, further comprising registering the financial account information via a network registration interface.

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IX. EVIDENCE APPENDIX.

None.

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Related Proceedings Appendix

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X. RELATED PROCEEDINGS APPENDIX.

None.